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**UNITED STATES BANKRUPTCY COURT  
 DISTRICT OF NEVADA**

In re:  
 USA COMMERCIAL MORTGAGE COMPANY,  
 Debtor.

Case No. BK-S-06-10725 LBR  
 Case No. BK-S-06-10726 LBR  
 Case No. BK-S-06-10727 LBR  
 Case No. BK-S-06-10728 LBR  
 Case No. BK-S-06-10729 LBR

In re:  
 USA CAPITAL REALTY ADVISORS, LLC,  
 Debtor.

In re:  
 USA CAPITAL DIVERSIFIED TRUST DEED  
 FUND, LLC,  
 Debtor.

Chapter 11

**Jointly Administered Under  
 Case No. BK-S-06-10725 LBR**

In re:  
 USA CAPITAL FIRST TRUST DEED FUND, LLC,  
 Debtor.

In re:  
 USA SECURITIES, LLC,  
 Debtor.

**MONTHLY OPERATING REPORT  
 FOR MARCH 2007 (AFFECTS USA  
 COMMERCIAL MORTGAGE  
 COMPANY)**

Affects:

- ☐ All Debtors
- ☒ USA Commercial Mortgage Company
- ☐ USA Capital Realty Advisors, LLC
- ☐ USA Capital Diversified Trust Deed Fund, LLC
- ☐ USA Capital First Trust Deed Fund, LLC
- ☐ USA Securities, LLC



**STATEMENT OF OPERATIONS****(General Business Case)**For the Month Ended 03/31/07

| <b>Current Month</b> |                 |                 |  | <b>Cumulative<br/>(Case to Date)</b> | <b>Next Month<br/>Forecast</b> |
|----------------------|-----------------|-----------------|--|--------------------------------------|--------------------------------|
| <b>Actual</b>        | <b>Forecast</b> | <b>Variance</b> |  |                                      |                                |
| \$3,919,420          |                 | \$3,919,420     | <b>Revenues:</b>   |                                      |                                |
|                      |                 | \$0             | 1 Gross Sales  | \$20,233,895                         |                                |
| \$3,919,420          | \$0             | \$3,919,420     | 2 less: Sales Returns & Allowances                                   |                                      |                                |
| \$0                  |                 | \$0             | 3 Net Sales  | \$20,233,895                         | \$0                            |
| \$3,919,420          | \$0             | \$3,919,420     | 4 less: Cost of Goods Sold (Schedule 'B')                            |                                      |                                |
| \$38,511             |                 | \$38,511        | 5 Gross Profit   | \$20,233,895                         | \$0                            |
|                      |                 | \$0             | 6 Interest   | \$120,304                            |                                |
|                      |                 | \$0             | 7 Other Income:  | \$8,044                              |                                |
|                      |                 | \$0             | 8 Intercompany allocations   | \$334,467                            |                                |
|                      |                 | \$0             | 9 Gain on Sale of Assets   | \$1,609,428                          |                                |
| \$3,957,931          | \$0             | \$3,957,931     | 10 <b>Total Revenues</b>   | \$22,306,138                         | \$0                            |
|                      |                 | \$0             | <b>Expenses:</b>   |                                      |                                |
| \$94,892             |                 | (\$94,892)      | 11 Compensation to Owner(s)/Officer(s)                               |                                      |                                |
|                      |                 | \$0             | 12 Salaries  | \$1,719,151                          |                                |
|                      |                 | \$0             | 13 Commissions   | \$140,833                            |                                |
|                      |                 | \$0             | 14 Contract Labor  |                                      |                                |
|                      |                 | \$0             | Rent/Lease:  |                                      |                                |
| \$24,634             |                 | (\$24,634)      | 15 Personal Property   | \$8,861                              |                                |
| (\$14,611)           |                 | \$14,611        | 16 Real Property   | \$541,432                            |                                |
|                      |                 | \$0             | 17 Insurance   | \$26,737                             |                                |
|                      |                 | \$0             | 18 Management Fees   |                                      |                                |
|                      |                 | \$0             | 19 Depreciation  | \$176,590                            |                                |
| \$2,724              |                 | (\$2,724)       | Taxes:   |                                      |                                |
|                      |                 | \$0             | 20 Employer Payroll Taxes  | \$90,925                             |                                |
| \$5,789              |                 | (\$5,789)       | 21 Real Property Taxes   |                                      |                                |
| (\$1,897)            |                 | \$1,897         | 22 Other Taxes   | \$49,259                             |                                |
| \$52,221             |                 | (\$52,221)      | 23 Other Selling   | \$51,187                             |                                |
|                      |                 | \$0             | 24 Other Administrative  | \$953,333                            |                                |
|                      |                 | \$0             | 25 Interest  | \$4,556                              |                                |
| \$30,151,158         |                 | (\$30,151,158)  | 26 Other Expenses:   |                                      |                                |
|                      |                 | \$0             | 27 Loss on Transfer to Trust   | \$30,151,158                         |                                |
|                      |                 | \$0             | 28   |                                      |                                |
|                      |                 | \$0             | 29   |                                      |                                |
|                      |                 | \$0             | 30   |                                      |                                |
|                      |                 | \$0             | 31   |                                      |                                |
|                      |                 | \$0             | 32   |                                      |                                |
|                      |                 | \$0             | 33   |                                      |                                |
|                      |                 | \$0             | 34   |                                      |                                |
| \$30,314,910         | \$0             | (\$30,314,910)  | 35 <b>Total Expenses</b>   | \$33,914,022                         | \$0                            |
| (\$26,356,979)       | \$0             | (\$26,356,979)  | 36 <b>Subtotal</b>   | (\$11,607,884)                       | \$0                            |
| (\$2,088,598)        |                 | \$2,088,598     | <b>Reorganization Items:</b>   |                                      |                                |
|                      |                 | \$0             | 37 Professional Fees   | (\$20,663,298)                       |                                |
|                      |                 | \$0             | 38 Provisions for Rejected Executory Contracts                       |                                      |                                |
|                      |                 | \$0             | 39 Interest Earned on Accumulated Cash from<br>Resulting Chp 11 Case |                                      |                                |
|                      |                 | \$0             | 40 Gain or (Loss) from Sale of Equipment                             |                                      |                                |
|                      |                 | \$0             | 41 U.S. Trustee Quarterly Fees                                       | (\$18,000)                           |                                |
|                      |                 | \$0             | 42   |                                      |                                |
| (\$2,088,598)        | \$0             | \$2,088,598     | 43 <b>Total Reorganization Items</b>                                 | (\$20,681,298)                       | \$0                            |
| (\$28,445,577)       | \$0             | (\$28,445,577)  | 44 <b>Net Profit (Loss) Before Federal &amp; State Taxes</b>         | (\$32,289,182)                       | \$0                            |
|                      |                 | \$0             | 45 Federal & State Income Taxes                                      |                                      |                                |
| (\$28,445,577)       | \$0             | (\$28,445,577)  | 46 <b>Net Profit (Loss)</b>  | (\$32,289,182)                       | \$0                            |

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

**BALANCE SHEET**  
**(General Business Case)**  
For the Month Ended 03/31/07

**Assets**

|  |  | <u>From Schedules</u> | <u>Market Value<sup>1</sup></u> |
|--|--|-----------------------|---------------------------------|
| <b>Current Assets</b>                        |  |                       |                                 |
| 1  | Cash and cash equivalents - unrestricted |                       | \$9,862,650                     |
| 2  | Cash and cash equivalents - restricted   |                       | \$8,310,296                     |
| 3  | Accounts receivable (net)                | A                     | \$4,127,521                     |
| 4  | Inventory                                | B                     | \$0                             |
| 5  | Prepaid expenses                         |                       | \$4,935                         |
| 6  | Professional retainers                   |                       |                                 |
| 7  | Other: _____                             |                       |                                 |
| 8  | _____                                    |                       |                                 |
| 9  | <b>Total Current Assets</b>              |                       | <b>\$22,305,402</b>             |
| <b>Property and Equipment (Market Value)</b> |  |                       |                                 |
| 10   | Real property                            | C                     |                                 |
| 11   | Machinery and equipment                  | D                     |                                 |
| 12   | Furniture and fixtures                   | D                     |                                 |
| 13   | Office equipment                         | D                     |                                 |
| 14   | Leasehold improvements                   | D                     |                                 |
| 15   | Vehicles                                 | D                     |                                 |
| 16   | Other: _____                             | D                     |                                 |
| 17   | _____                                    | D                     |                                 |
| 18   | _____                                    | D                     |                                 |
| 19   | _____                                    | D                     |                                 |
| 20   | _____                                    | D                     |                                 |
| 21   | <b>Total Property and Equipment</b>      |                       | <b>\$0</b>                      |
| <b>Other Assets</b>                          |  |                       |                                 |
| 22   | Loans to shareholders                    |                       |                                 |
| 23   | Loans to affiliates                      |                       |                                 |
| 24   | _____                                    |                       |                                 |
| 25   | _____                                    |                       |                                 |
| 26   | _____                                    |                       |                                 |
| 27   | _____                                    |                       |                                 |
| 28   | <b>Total Other Assets</b>                |                       | <b>\$0</b>                      |
| 29   | <b>Total Assets</b>                      |                       | <b>\$22,305,402</b>             |

**NOTE:**

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

1 - The method used to estimate the market value of assets was net book value at the end of the current reporting period as market value has not been determined.

**Liabilities and Equity**  
(General Business Case)

**Liabilities From Schedules**

**Post-Petition**

**Current Liabilities**

|    |  |   |                     |
|----|--|---|---------------------|
| 30 | Salaries and wages   |   | \$19,130            |
| 31 | Payroll taxes  |   |                     |
| 32 | Real and personal property taxes                                       |   |                     |
| 33 | Income taxes   |   |                     |
| 34 | Sales taxes  |   |                     |
| 35 | Notes payable (short term)   |   |                     |
| 36 | Accounts payable (trade)   | A | \$162,058           |
| 37 | Real property lease arrearage  |   |                     |
| 38 | Personal property lease arrearage                                      |   |                     |
| 39 | Accrued professional fees  |   | \$5,939,359         |
| 40 | Current portion of long-term post-petition debt (due within 12 months) |   |                     |
| 41 | Other: Retirement plan   |   | \$1,105,535         |
| 42 | Escrow deposit and other liabilities                                   |   | \$8,251,695         |
| 43 |  |   |                     |
| 44 | <b>Total Current Liabilities</b>                                       |   | <b>\$15,477,777</b> |

**Long-Term Post-Petition Debt, Net of Current Portion**

|    |  |  |                     |
|----|--|--|---------------------|
| 46 | <b>Total Post-Petition Liabilities</b> |  | <b>\$15,477,777</b> |
|----|--|--|---------------------|

**Pre-Petition Liabilities (allowed amount)<sup>1</sup>**

|    |  |   |                     |
|----|--|---|---------------------|
| 47 | Secured claims <sup>1</sup>            | F | \$0                 |
| 48 | Priority unsecured claims <sup>1</sup> | F | \$108,914           |
| 49 | General unsecured claims <sup>1</sup>  | F |                     |
| 50 | <b>Total Pre-Petition Liabilities</b>  |   | <b>\$108,914</b>    |
| 51 | <b>Total Liabilities</b>               |   | <b>\$15,586,691</b> |

**Equity (Deficit)**

|    |  |  |                     |
|----|--|--|---------------------|
| 52 | Retained Earnings/(Deficit) at time of filing          |  | \$38,932,893        |
| 53 | Capital Stock  |  | \$75,000            |
| 54 | Additional paid-in capital                             |  |                     |
| 55 | Cumulative profit/(loss) since filing of case          |  | (\$32,289,182)      |
| 56 | Post-petition contributions/(distributions) or (draws) |  |                     |
| 57 |  |  |                     |
| 58 | Market value adjustment                                |  |                     |
| 59 | <b>Total Equity (Deficit)</b>                          |  | <b>\$6,718,711</b>  |
| 60 | <b>Total Liabilities and Equity (Deficit)</b>          |  | <b>\$22,305,402</b> |

**NOTE:**

1 - Allowed Amounts have not yet been determined and are contingent upon approval from the Bankruptcy Court. The pre-petition liabilities' amounts above reflect the claimed amounts filed on Schedules.

**SCHEDULES TO THE BALANCE SHEET**  
(General Business Case)

**Schedule A**

**Accounts Receivable and (Net) Payable**

| <b>Receivables and Payables Agings</b> | <b>Accounts Receivable<br/>[Pre and Post Petition]</b> | <b>Accounts Payable<br/>[Post Petition]</b> | <b>Past Due<br/>Post Petition Debt</b> |
|--|--|---|--|
| 0 -30 Days                             |  | \$17,444                                    |  |
| 31-60 Days                             |  | \$134,186                                   |  |
| 61-90 Days                             |  | \$9,887                                     | \$144,614                              |
| 91+ Days                               |  | \$541                                       |  |
| Total accounts receivable/payable      | \$0  | \$162,058                                   |  |
| Allowance for doubtful accounts        |  |   |  |
| Accounts receivable (net)              | \$0  |   |  |

**Schedule B**

**Inventory/Cost of Goods Sold**

| <b>Types and Amount of Inventory(ies)</b> | <b>Inventory(ies)<br/>Balance at<br/>End of Month</b> | <b>Cost of Goods Sold</b>           |            |
|---|---|-------------------------------------|------------|
|   |   | <b>Inventory Beginning of Month</b> |            |
|   |   | Add -                               |            |
| Retail/Restaurants -                      |   | Net purchase                        |            |
| Product for resale                        |   | Direct labor                        |            |
|   |   | Manufacturing overhead              |            |
| Distribution -                            |   | Freight in                          |            |
| Products for resale                       |   | Other:                              |            |
|   |   |                                     |            |
| Manufacturer -                            |   |                                     |            |
| Raw Materials                             |   |                                     |            |
| Work-in-progress                          |   |                                     |            |
| Finished goods                            |   |                                     |            |
|   |   |                                     |            |
| Other - Explain                           |   |                                     |            |
|   |   |                                     |            |
|   |   |                                     |            |
| <b>TOTAL</b>                              | <b>\$0</b>  | <b>Cost of Goods Sold</b>           | <b>\$0</b> |

**Method of Inventory Control**

Do you have a functioning perpetual inventory system?

Yes \_\_\_\_\_ No \_\_\_\_\_

How often do you take a complete physical inventory?

Weekly \_\_\_\_\_  
 Monthly \_\_\_\_\_  
 Quarterly \_\_\_\_\_  
 Semi-annually \_\_\_\_\_  
 Annually \_\_\_\_\_

Date of last physical inventory was \_\_\_\_\_

Date of next physical inventory is \_\_\_\_\_

**Inventory Valuation Methods**

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost \_\_\_\_\_  
 LIFO cost \_\_\_\_\_  
 Lower of cost or market \_\_\_\_\_  
 Retail method \_\_\_\_\_  
 Other \_\_\_\_\_  
 Explain \_\_\_\_\_

**Schedule C  
Real Property**

| Description | <u>Cost</u> | <u>Market Value</u> |
|-------------|-------------|---------------------|
|             |             |                     |
|             |             |                     |
|             |             |                     |
|             |             |                     |
|             |             |                     |
| Total       | \$0         | \$0                 |

**Schedule D  
Other Depreciable Assets**

| Description             | <u>Cost</u> | <u>Market Value</u> |
|-------------------------|-------------|---------------------|
| Machinery & Equipment - |             |                     |
|                         |             |                     |
|                         |             |                     |
| Total                   | \$0         | \$0                 |

|                        |     |     |
|------------------------|-----|-----|
| Furniture & Fixtures - |     |     |
|                        |     |     |
|                        |     |     |
|                        |     |     |
| Total                  | \$0 | \$0 |

|                    |     |     |
|--------------------|-----|-----|
| Office Equipment - |     |     |
|                    |     |     |
|                    |     |     |
| Total              | \$0 | \$0 |

|                          |     |     |
|--------------------------|-----|-----|
| Leasehold Improvements - |     |     |
|                          |     |     |
|                          |     |     |
|                          |     |     |
| Total                    | \$0 | \$0 |

|            |     |     |
|------------|-----|-----|
| Vehicles - |     |     |
|            |     |     |
|            |     |     |
|            |     |     |
| Total      | \$0 | \$0 |

**Schedule E**  
**Aging of Post-Petition Taxes**  
**(As of End of the Current Reporting Period)**

| <b>Taxes Payable</b>                 | <b><u>0-30 Days</u></b> | <b><u>31-60 Days</u></b> | <b><u>61-90 Days</u></b> | <b><u>91+ Days</u></b> | <b><u>Total</u></b> |
|--------------------------------------|-------------------------|--------------------------|--------------------------|------------------------|---------------------|
| <b>Federal</b>                       |                         |                          |                          |                        |                     |
| Income Tax Withholding               |                         |                          |                          |                        | \$0                 |
| FICA - Employee                      |                         |                          |                          |                        | \$0                 |
| FICA - Employer                      |                         |                          |                          |                        | \$0                 |
| Unemployment (FUTA)                  |                         |                          |                          |                        | \$0                 |
| Income                               |                         |                          |                          |                        | \$0                 |
| Other (Attach List)                  |                         |                          |                          |                        | \$0                 |
| <b>Total Federal Taxes</b>           | \$0                     | \$0                      | \$0                      | \$0                    | \$0                 |
| <b>State and Local</b>               |                         |                          |                          |                        |                     |
| Income Tax Withholding               |                         |                          |                          |                        | \$0                 |
| Unemployment (UT)                    |                         |                          |                          |                        | \$0                 |
| Disability Insurance (DI)            |                         |                          |                          |                        | \$0                 |
| Empl. Training Tax (ETT)             |                         |                          |                          |                        | \$0                 |
| Sales                                |                         |                          |                          |                        | \$0                 |
| Excise                               |                         |                          |                          |                        | \$0                 |
| Real property                        |                         |                          |                          |                        | \$0                 |
| Personal property                    |                         |                          |                          |                        | \$0                 |
| Income                               |                         |                          |                          |                        | \$0                 |
| Other (Attach List)                  |                         |                          |                          |                        | \$0                 |
| <b>Total State &amp; Local Taxes</b> | \$0                     | \$0                      | \$0                      | \$0                    | \$0                 |
| <b>Total Taxes</b>                   | \$0                     | \$0                      | \$0                      | \$0                    | \$0                 |

**Schedule F**  
**Pre-Petition Liabilities**

| <b><u>List Total Claims For Each Classification -</u></b> | <b><u>Claimed<sup>1</sup></u></b><br><b><u>Amount</u></b> | <b><u>Allowed<sup>2</sup></u></b><br><b><u>Amount (b)</u></b> |
|---|---|---|
| Secured claims (a)  |   |   |
| Priority claims other than taxes                          | \$57,032  |   |
| Priority tax claims                                       | \$51,882  |   |
| General unsecured claims                                  |   |   |

(a) List total amount of claims even if under secured.

(b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

**Schedule G**  
**Rental Income Information**  
**Not applicable to General Business Cases**

**Schedule H**  
**Recapitulation of Funds Held at End of Month**

|                                      | <b><u>Account 1</u></b> | <b><u>Account 2</u></b> | <b><u>Account 3</u></b> | <b><u>Account 4</u></b> | <b><u>Account 5</u></b> |
|--------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Bank                                 | Bank of America         | Bank of America         | Citibank                | Bank of America         | Bank of America         |
| Account Type                         | Analyzed Checking       | Analyzed Checking       | Business Account        | Money Market            | Money Market            |
| Account No.                          | 3755532383              | 3755532419              | 500078217               | 3755547323              | 3755547789              |
| Account Purpose                      | General                 | Payroll                 | Citibank Interest       | Escrow Account          | Money Market            |
| Balance, End of Month                | \$273,806               | \$72,944                | \$294                   | \$8,310,296             | \$9,515,606             |
| Total Funds on Hand for all Accounts | \$18,172,946            |                         |                         |                         |                         |

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

**NOTES:**

1 - Claimed Amounts reflects amounts filed on schedules and is subject to change as proof of claims are filed and further pre-petition invoices are identified.

2 - Allowed Amounts have not yet been determined and are contingent upon approval from the Bankruptcy Court.



**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS****Increase/(Decrease) in Cash and Cash Equivalents****For the Month Ended 03/31/07**

|                           |   | <b>Actual<br/>Current Month</b> | <b>Cumulative<br/>(Case to Date)</b> |
|---------------------------|---|---------------------------------|--------------------------------------|
| <b>Cash Receipts</b>      |   |                                 |                                      |
| 1                         | Rent/Leases Collected                                     |                                 |                                      |
| 2                         | Cash Received from Sales                                  | \$566                           | \$7,579,372                          |
| 3                         | Interest Received   | \$38,512                        | \$185,992                            |
| 4                         | Borrowings  |                                 |                                      |
| 5                         | Funds from Shareholders, Partners, or Other Insiders      |                                 | \$5,000                              |
| 6                         | Capital Contributions                                     |                                 |                                      |
| 7                         | Management Fees from USA Capital Realty Advisors, LLC     |                                 | \$1,401,269                          |
| 8                         | Tax and Security Deposit Refund                           |                                 | \$5,698                              |
| 9                         | Principal Received on Notes Receivable                    |                                 | \$82,832                             |
| 10                        | Escrow Deposit/Sale Proceeds/Effective Date Transfer      | \$12,490,790                    | \$25,617,489                         |
| 11                        | Borrower Funds Received-To be Sent to Compass Partners    | (\$1,114,985)                   | \$0                                  |
| 12                        | <b>Total Cash Receipts</b>                                | <b>\$11,414,883</b>             | <b>\$34,877,652</b>                  |
| <b>Cash Disbursements</b> |   |                                 |                                      |
| 13                        | Payments for Inventory                                    |                                 |                                      |
| 14                        | Selling   |                                 | \$2,619                              |
| 15                        | Administrative  | \$42,541                        | \$702,016                            |
| 16                        | Capital Expenditures                                      |                                 |                                      |
| 17                        | Principal Payments on Debt                                |                                 | \$150,645                            |
| 18                        | Interest Paid   |                                 | \$4,888                              |
|                           | Rent/Lease:   |                                 |                                      |
| 19                        | Personal Property   |                                 | \$9,963                              |
| 20                        | Real Property   |                                 | \$569,426                            |
|                           | Amount Paid to Owner(s)/Officer(s)                        |                                 |                                      |
| 21                        | Salaries  |                                 |                                      |
| 22                        | Draws   |                                 |                                      |
| 23                        | Commissions/Royalties                                     |                                 |                                      |
| 24                        | Expense Reimbursements                                    |                                 |                                      |
| 25                        | Other   |                                 |                                      |
| 26                        | Salaries/Commissions (less employee withholding)          | \$132,459                       | \$1,534,960                          |
| 27                        | Management Fees   |                                 |                                      |
|                           | Taxes:  |                                 |                                      |
| 28                        | Employee Withholding                                      |                                 | \$213,091                            |
| 29                        | Employer Payroll Taxes                                    |                                 | \$94,063                             |
| 30                        | Real Property Taxes                                       |                                 |                                      |
| 31                        | Other Taxes   |                                 | \$15,028                             |
| 32                        | Other Cash Outflows:                                      |                                 |                                      |
| 33                        | Professional Fees Paid in Connection with Chapter 11 Case | \$3,468,422                     | \$13,966,239                         |
| 34                        | U.S. Trustee Quarterly Fees                               |                                 | \$18,000                             |
| 35                        |   |                                 |                                      |
| 36                        |   |                                 |                                      |
| 37                        |   |                                 |                                      |
| 38                        | <b>Total Cash Disbursements:</b>                          | <b>\$3,643,422</b>              | <b>\$17,280,938</b>                  |
| 39                        | <b>Net Increase (Decrease) in Cash</b>                    | <b>\$7,771,461</b>              | <b>\$17,596,714</b>                  |
| 40                        | <b>Cash Balance, Beginning of Period</b>                  | <b>\$10,401,485</b>             | <b>\$576,231</b>                     |
| 41                        | <b>Cash Balance, End of Period</b>                        | <b>\$18,172,946</b>             | <b>\$18,172,946</b>                  |

**STATEMENT OF CASH FLOWS**  
**(Optional) Increase/(Decrease) in Cash and Cash Equivalents**  
**For the Month Ended 03/31/07**

|  | <b>Actual<br/>Current Month</b> | <b>Cumulative<br/>(Case to Date)</b> |
|--|---------------------------------|--------------------------------------|
| <b>Cash Flows From Operating Activities</b>  |                                 |                                      |
| 1 Cash Received from Sales   | \$566                           | \$7,579,372                          |
| 2 Rent/Leases Collected  |                                 |                                      |
| 3 Interest Received  | \$38,512                        | \$185,992                            |
| 4 Cash Paid to Suppliers   |                                 |                                      |
| 5 Cash Paid for Selling Expenses   |                                 | \$2,619                              |
| 6 Cash Paid for Administrative Expenses  | \$42,541                        | \$702,016                            |
| Cash Paid for Rents/Leases:  |                                 |                                      |
| 7 Personal Property  |                                 | \$9,963                              |
| 8 Real Property  |                                 | \$569,426                            |
| 9 Cash Paid for Interest   |                                 | \$4,888                              |
| 10 Cash Paid for Net Payroll and Benefits  | \$132,459                       | \$1,534,960                          |
| Cash Paid to Owner(s)/Officer(s)   |                                 |                                      |
| 11 Salaries  |                                 |                                      |
| 12 Draws   |                                 |                                      |
| 13 Commissions/Royalties   |                                 |                                      |
| 14 Expense Reimbursements  |                                 |                                      |
| 15 Other   |                                 |                                      |
| Cash Paid for Taxes Paid/Deposited to Tax Acct.  |                                 |                                      |
| 16 Employer Payroll Tax  |                                 | \$94,063                             |
| 17 Employee Withholdings   |                                 | \$213,091                            |
| 18 Real Property Taxes   |                                 |                                      |
| 19 Other Taxes   |                                 | \$15,028                             |
| 20 Cash Paid for General Expenses  |                                 |                                      |
| 21 Management Fees from USA Capital Realty Advisors, LLC                               |                                 | (\$1,401,269)                        |
| 22 Tax and Security Deposit Refund   |                                 | (\$5,698)                            |
| 23 Principal Received on Notes Receivable  |                                 | (\$82,832)                           |
| 24 Borrower Funds Received-To be Sent to Compass Partners                              | \$1,114,985                     | \$0                                  |
| 25   |                                 |                                      |
| 26   |                                 |                                      |
| 27 <b>Net Cash Provided (Used) by Operating Activities before Reorganization Items</b> | (\$1,250,907)                   | \$6,109,109                          |
| <b>Cash Flows From Reorganization Items</b>  |                                 |                                      |
| 28 Interest Received on Cash Accumulated Due to Chp 11 Case                            |                                 |                                      |
| 29 Professional Fees Paid for Services in Connection with Chp 11 Case                  | \$3,468,422                     | \$13,966,239                         |
| 30 U.S. Trustee Quarterly Fees   |                                 | \$18,000                             |
| 31 Escrow Deposit/Sale Proceeds/Effective Date Transfer                                | (\$12,490,790)                  | (\$25,617,489)                       |
| 32 <b>Net Cash Provided (Used) by Reorganization Items</b>                             | \$9,022,368                     | \$11,633,250                         |
| 33 <b>Net Cash Provided (Used) for Operating Activities and Reorganization Items</b>   | \$7,771,461                     | \$17,742,359                         |
| <b>Cash Flows From Investing Activities</b>  |                                 |                                      |
| 34 Capital Expenditures  |                                 |                                      |
| 35 Proceeds from Sales of Capital Goods due to Chp 11 Case                             |                                 |                                      |
| 36   |                                 |                                      |
| 37 <b>Net Cash Provided (Used) by Investing Activities</b>                             | \$0                             | \$0                                  |
| <b>Cash Flows From Financing Activities</b>  |                                 |                                      |
| 38 Net Borrowings (Except Insiders)  |                                 |                                      |
| 39 Net Borrowings from Shareholders, Partners, or Other Insiders                       |                                 | \$5,000                              |
| 40 Capital Contributions   |                                 |                                      |
| 41 Principal Payments  |                                 | \$150,645                            |
| 42   |                                 |                                      |
| 43 <b>Net Cash Provided (Used) by Financing Activities</b>                             | \$0                             | (\$145,645)                          |
| 44 <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                         | \$7,771,461                     | \$17,596,714                         |
| 45 <b>Cash and Cash Equivalents at Beginning of Month</b>                              | \$10,401,485                    | \$576,231                            |
| 46 <b>Cash and Cash Equivalents at End of Month</b>                                    | \$18,172,946                    | \$18,172,946                         |

**USA Commercial Mortgage Company**  
**Question 9 - Payments to Professionals**  
**March 1, 2007 - March 31, 2007**

|   | <b>Total Paid During<br/>Month</b> |
|---|------------------------------------|
| BMC Group                                 | \$ 178,278.32                      |
| Gordon & Silver LTD                       | 202,706.69                         |
| Lewis and Roca, LLP                       | 390,190.13                         |
| Mesirow Financial Interim Management, LLC | 1,908,043.27                       |
| Ray, Quinney & Nebeker, PC                | 418,262.90                         |
| Schwartz & McPherson Law Firm             | 280,394.62                         |
| Sierra Consulting Group, LLC              | 90,545.93                          |
| <br><b>Total Fees &amp; Expenses</b>      | <br><b><u>\$ 3,468,421.86</u></b>  |

**USA COMMERCIAL MORTGAGE COMPANY - COLLECTION ACCOUNT****STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS****Increase/(Decrease) in Cash and Cash Equivalents****For the Month Ended 03/31/07**

|                           |  | <u>Actual<br/>Current Month</u> | <u>Cumulative<br/>(Case to Date)</u> |
|---------------------------|--|---------------------------------|--------------------------------------|
| <b>Cash Receipts</b>      |  |                                 |                                      |
| 1                         | Rent/Leases Collected  |                                 |                                      |
| 2                         | Cash Received from Sales   |                                 |                                      |
| 3                         | Interest Received  | \$130,838                       | \$2,010,664                          |
| 4                         | Borrowings   |                                 |                                      |
| 5                         | Funds from Shareholders, Partners, or Other Insiders               |                                 |                                      |
| 6                         | Capital Contributions  |                                 |                                      |
| 7                         | Cash Received - See Attachment A                                   | \$16,414,630                    | \$283,284,752                        |
| 8                         |  |                                 |                                      |
| 9                         |  |                                 |                                      |
| 10                        |  |                                 |                                      |
| 11                        |  |                                 |                                      |
| 12                        | <b>Total Cash Receipts</b>   | <b>\$16,545,468</b>             | <b>\$285,295,416</b>                 |
| <b>Cash Disbursements</b> |  |                                 |                                      |
| 13                        | Payments for Inventory   |                                 |                                      |
| 14                        | Selling  |                                 |                                      |
| 15                        | Administrative   |                                 |                                      |
| 16                        | Capital Expenditures   |                                 |                                      |
| 17                        | Principal Payments on Debt   |                                 |                                      |
| 18                        | Interest Paid  |                                 |                                      |
|                           | Rent/Lease:  |                                 |                                      |
| 19                        | Personal Property  |                                 |                                      |
| 20                        | Real Property  |                                 |                                      |
|                           | Amount Paid to Owner(s)/Officer(s)                                 |                                 |                                      |
| 21                        | Salaries   |                                 |                                      |
| 22                        | Draws  |                                 |                                      |
| 23                        | Commissions/Royalties  |                                 |                                      |
| 24                        | Expense Reimbursements   |                                 |                                      |
| 25                        | Other  |                                 |                                      |
| 26                        | Salaries/Commissions (less employee withholding)                   |                                 |                                      |
| 27                        | Management Fees  |                                 |                                      |
|                           | Taxes:   |                                 |                                      |
| 28                        | Employee Withholding   |                                 |                                      |
| 29                        | Employer Payroll Taxes   |                                 |                                      |
| 30                        | Real Property Taxes  |                                 |                                      |
| 31                        | Other Taxes  |                                 |                                      |
| 32                        | Other Cash Outflows:   |                                 |                                      |
| 33                        | Extension/Late Fees/Default Interest Collected on Behalf of USA CM |                                 | \$793,410                            |
| 34                        | Service Fees Paid to USA Commercial Mortgage                       |                                 | \$3,461,801                          |
| 35                        | Payments to Investors  | \$29,665,807                    | \$231,952,198                        |
| 36                        | Fees Collected on Behalf of Compass Partners                       | \$515,372                       | \$515,372                            |
| 37                        | Effective Date Transfers to USACM                                  | \$36,650,045                    | \$36,650,045                         |
| 38                        | <b>Total Cash Disbursements:</b>                                   | <b>\$66,831,224</b>             | <b>\$273,372,826</b>                 |
| 39                        | <b>Net Increase (Decrease) in Cash</b>                             | <b>(\$50,285,756)</b>           | <b>\$11,922,590</b>                  |
| 40                        | <b>Cash Balance, Beginning of Period</b>                           | <b>\$71,261,763</b>             | <b>\$9,053,417</b>                   |
| 41                        | <b>Cash Balance, End of Period</b>                                 | <b>\$20,976,007</b>             | <b>\$20,976,007</b>                  |

**USA COMMERCIAL MORTGAGE COMPANY - COLLECTION ACCOUNT**  
**STATEMENT OF CASH FLOWS**

(Optional) Increase/(Decrease) in Cash and Cash Equivalents  
For the Month Ended 03/31/07

|   |   | <b>Actual<br/>Current Month</b> | <b>Cumulative<br/>(Case to Date)</b> |
|---|---|---------------------------------|--------------------------------------|
| <b>Cash Flows From Operating Activities</b> |   |                                 |                                      |
| 1   | Cash Received from Sales  |                                 |                                      |
| 2   | Rent/Leases Collected   |                                 |                                      |
| 3   | Interest Received   | \$130,838                       | \$2,010,664                          |
| 4   | Cash Paid to Suppliers  |                                 |                                      |
| 5   | Cash Paid for Selling Expenses  |                                 |                                      |
| 6   | Cash Paid for Administrative Expenses   |                                 |                                      |
|   | Cash Paid for Rents/Leases:   |                                 |                                      |
| 7   | Personal Property   |                                 |                                      |
| 8   | Real Property   |                                 |                                      |
| 9   | Cash Paid for Interest  |                                 |                                      |
| 10  | Cash Paid for Net Payroll and Benefits  |                                 |                                      |
|   | Cash Paid to Owner(s)/Officer(s)  |                                 |                                      |
| 11  | Salaries  |                                 |                                      |
| 12  | Draws   |                                 |                                      |
| 13  | Commissions/Royalties   |                                 |                                      |
| 14  | Expense Reimbursements  |                                 |                                      |
| 15  | Other   |                                 |                                      |
|   | Cash Paid for Taxes Paid/Deposited to Tax Acct.                                     |                                 |                                      |
| 16  | Employer Payroll Tax  |                                 |                                      |
| 17  | Employee Withholdings   |                                 |                                      |
| 18  | Real Property Taxes   |                                 |                                      |
| 19  | Other Taxes   |                                 |                                      |
| 20  | Cash Paid for General Expenses  |                                 |                                      |
| 21  | Cash Received - See Attachment A  | (\$16,414,630)                  | (\$283,284,752)                      |
| 22  | Extension/Late Fees/Default Interest Collected on Behalf of USA CM                  |                                 | \$793,410                            |
| 23  | Service Fees Paid to USA Commercial Mortgage  |                                 | \$3,461,801                          |
| 24  | Payments to Investors   | \$29,665,807                    | \$231,952,198                        |
| 25  | Fees Collected on Behalf of Compass Partners  | \$515,372                       | \$515,372                            |
| 26  | Effective Date Transfers to USACM   | \$36,650,045                    | \$36,650,045                         |
| 27  | <b>Net Cash Provided (Used) by Operating Activities before Reorganization Items</b> | <b>(\$50,285,756)</b>           | <b>\$11,922,590</b>                  |
| <b>Cash Flows From Reorganization Items</b> |   |                                 |                                      |
| 28  | Interest Received on Cash Accumulated Due to Chp 11 Case                            |                                 |                                      |
| 29  | Professional Fees Paid for Services in Connection with Chp 11 Case                  |                                 |                                      |
| 30  | U.S. Trustee Quarterly Fees   |                                 |                                      |
| 31  |   |                                 |                                      |
| 32  | <b>Net Cash Provided (Used) by Reorganization Items</b>                             | <b>\$0</b>                      | <b>\$0</b>                           |
| 33  | <b>Net Cash Provided (Used) for Operating Activities and Reorganization Items</b>   | <b>(\$50,285,756)</b>           | <b>\$11,922,590</b>                  |
| <b>Cash Flows From Investing Activities</b> |   |                                 |                                      |
| 34  | Capital Expenditures  |                                 |                                      |
| 35  | Proceeds from Sales of Capital Goods due to Chp 11 Case                             |                                 |                                      |
| 36  |   |                                 |                                      |
| 37  | <b>Net Cash Provided (Used) by Investing Activities</b>                             | <b>\$0</b>                      | <b>\$0</b>                           |
| <b>Cash Flows From Financing Activities</b> |   |                                 |                                      |
| 38  | Net Borrowings (Except Insiders)  |                                 |                                      |
| 39  | Net Borrowings from Shareholders, Partners, or Other Insiders                       |                                 |                                      |
| 40  | Capital Contributions   |                                 |                                      |
| 41  | Principal Payments  |                                 |                                      |
| 42  |   |                                 |                                      |
| 43  | <b>Net Cash Provided (Used) by Financing Activities</b>                             | <b>\$0</b>                      | <b>\$0</b>                           |
| 44  | <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                         | <b>(\$50,285,756)</b>           | <b>\$11,922,590</b>                  |
| 45  | <b>Cash and Cash Equivalents at Beginning of Month</b>                              | <b>\$71,261,763</b>             | <b>\$9,053,417</b>                   |
| 46  | <b>Cash and Cash Equivalents at End of Month</b>                                    | <b>\$20,976,007</b>             | <b>\$20,976,007</b>                  |

**USA Commercial Mortgage Company - Collections Account**  
**Attachment A**  
**March 1, 2007 - March 31, 2007**

| <b>Borrowers</b>                    | <b>Receipts</b>         |
|-------------------------------------|-------------------------|
| Bundy Canyon \$1,050,000            | \$ 20,825.00            |
| Cabernet                            | 76,112.50               |
| Charlevoix Homes, LLC               | 42,311.11               |
| Columbia Managing Partners          | 22,345.56               |
| Fiesta Murrieta                     | 260,722.22              |
| Interstate Commerce Center Phase II | 1,586,921.93            |
| Palm Harbor One                     | 199,260.00              |
| Rio Rancho Executive Plaza, LLC     | 507,602.93              |
| Slade Development                   | 3,919,866.27            |
| Southern California Land 2nd        | 43,555.55               |
| Standard Property Development       | 9,640,000.00            |
| The Gardens, LLC Timeshare          | 45,500.00               |
| University Estates                  | 49,607.28               |
| <b>Total Receipts</b>               | <b>\$ 16,414,630.35</b> |

**USA COMMERCIAL MORTGAGE COMPANY - INVESTOR ACCOUNT**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**

**Increase/(Decrease) in Cash and Cash Equivalents**

**For the Month Ended 03/31/07**

|  | <u>Actual</u><br><u>Current Month</u> | <u>Cumulative</u><br><u>(Case to Date)</u> |
|--|---------------------------------------|--|
| <b>Cash Receipts</b>                                       |                                       |  |
| 1 Rent/Leases Collected                                    |                                       |  |
| 2 Cash Received from Sales                                 |                                       |  |
| 3 Interest Received  | \$2,665                               | \$13,460                                   |
| 4 Borrowings   |                                       |  |
| 5 Funds from Shareholders, Partners, or Other Insiders     |                                       |  |
| 6 Capital Contributions                                    |                                       |  |
| 7 Return of Funds from Title Company                       |                                       | \$8,900,000                                |
| 8 Funding Assignments                                      |                                       | \$200,000                                  |
| 9  |                                       |  |
| 10   |                                       |  |
| 11   |                                       |  |
| 12 <b>Total Cash Receipts</b>                              | \$2,665                               | \$9,113,460                                |
| <b>Cash Disbursements</b>                                  |                                       |  |
| 13 Payments for Inventory                                  |                                       |  |
| 14 Selling   |                                       |  |
| 15 Administrative  |                                       |  |
| 16 Capital Expenditures                                    |                                       |  |
| 17 Principal Payments on Debt                              |                                       |  |
| 18 Interest Paid   |                                       |  |
| Rent/Lease:  |                                       |  |
| 19 Personal Property                                       |                                       |  |
| 20 Real Property   |                                       |  |
| Amount Paid to Owner(s)/Officer(s)                         |                                       |  |
| 21 Salaries  |                                       |  |
| 22 Draws   |                                       |  |
| 23 Commissions/Royalties                                   |                                       |  |
| 24 Expense Reimbursements                                  |                                       |  |
| 25 Other   |                                       |  |
| 26 Salaries/Commissions (less employee withholding)        |                                       |  |
| 27 Management Fees   |                                       |  |
| Taxes:   |                                       |  |
| 28 Employee Withholding                                    |                                       |  |
| 29 Employer Payroll Taxes                                  |                                       |  |
| 30 Real Property Taxes                                     |                                       |  |
| 31 Other Taxes   |                                       |  |
| 32 Other Cash Outflows:                                    |                                       |  |
| 33 Pre-Petition Check Cleared by Bank after Account Closed |                                       | \$100,000                                  |
| 34 Principal Payments to Investors                         | \$275,000                             | \$10,112,500                               |
| 35   |                                       |  |
| 36   |                                       |  |
| 37   |                                       |  |
| 38 <b>Total Cash Disbursements:</b>                        | \$275,000                             | \$10,212,500                               |
| 39 <b>Net Increase (Decrease) in Cash</b>                  | (\$272,335)                           | (\$1,099,040)                              |
| 40 <b>Cash Balance, Beginning of Period</b>                | \$1,149,428                           | \$1,976,133                                |
| 41 <b>Cash Balance, End of Period</b>                      | \$877,093                             | \$877,093                                  |

Note:

1 - Check cleared by Wells Fargo on April 19, 2006 and not returned to account by the bank.

**USA COMMERCIAL MORTGAGE COMPANY - INVESTOR ACCOUNT**  
**STATEMENT OF CASH FLOWS**

(Optional) Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 03/31/07

|   |   | Actual<br><u>Current Month</u> | Cumulative<br><u>(Case to Date)</u> |
|---|---|--------------------------------|-------------------------------------|
| <b>Cash Flows From Operating Activities</b> |   |                                |                                     |
| 1   | Cash Received from Sales  |                                |                                     |
| 2   | Rent/Leases Collected   |                                |                                     |
| 3   | Interest Received   | \$2,665                        | \$13,460                            |
| 4   | Cash Paid to Suppliers  |                                |                                     |
| 5   | Cash Paid for Selling Expenses  |                                |                                     |
| 6   | Cash Paid for Administrative Expenses   |                                |                                     |
|   | Cash Paid for Rents/Leases:   |                                |                                     |
| 7   | Personal Property   |                                |                                     |
| 8   | Real Property   |                                |                                     |
| 9   | Cash Paid for Interest  |                                |                                     |
| 10  | Cash Paid for Net Payroll and Benefits  |                                |                                     |
|   | Cash Paid to Owner(s)/Officer(s)  |                                |                                     |
| 11  | Salaries  |                                |                                     |
| 12  | Draws   |                                |                                     |
| 13  | Commissions/Royalties   |                                |                                     |
| 14  | Expense Reimbursements  |                                |                                     |
| 15  | Other   |                                |                                     |
|   | Cash Paid for Taxes Paid/Deposited to Tax Acct.                                     |                                |                                     |
| 16  | Employer Payroll Tax  |                                |                                     |
| 17  | Employee Withholdings   |                                |                                     |
| 18  | Real Property Taxes   |                                |                                     |
| 19  | Other Taxes   |                                |                                     |
| 20  | Cash Paid for General Expenses  |                                |                                     |
| 21  | Pre-Petition Check Cleared by Bank after Account Closed                             |                                | \$100,000                           |
| 22  | Return of Funds from Title Company  |                                | (\$8,900,000)                       |
| 23  | Principal Payments to Investors   | \$275,000                      | \$10,112,500                        |
| 24  | Funding Assignments   |                                | (\$200,000)                         |
| 25  |   |                                |                                     |
| 26  |   |                                |                                     |
| 27  | <b>Net Cash Provided (Used) by Operating Activities before Reorganization Items</b> | (\$272,335)                    | (\$1,099,040)                       |
| <b>Cash Flows From Reorganization Items</b> |   |                                |                                     |
| 28  | Interest Received on Cash Accumulated Due to Chp 11 Case                            |                                |                                     |
| 29  | Professional Fees Paid for Services in Connection with Chp 11 Case                  |                                |                                     |
| 30  | U.S. Trustee Quarterly Fees   |                                |                                     |
| 31  |   |                                |                                     |
| 32  | <b>Net Cash Provided (Used) by Reorganization Items</b>                             | \$0                            | \$0                                 |
| 33  | <b>Net Cash Provided (Used) for Operating Activities and Reorganization Items</b>   | (\$272,335)                    | (\$1,099,040)                       |
| <b>Cash Flows From Investing Activities</b> |   |                                |                                     |
| 34  | Capital Expenditures  |                                |                                     |
| 35  | Proceeds from Sales of Capital Goods due to Chp 11 Case                             |                                |                                     |
| 36  |   |                                |                                     |
| 37  | <b>Net Cash Provided (Used) by Investing Activities</b>                             | \$0                            | \$0                                 |
| <b>Cash Flows From Financing Activities</b> |   |                                |                                     |
| 38  | Net Borrowings (Except Insiders)  |                                |                                     |
| 39  | Net Borrowings from Shareholders, Partners, or Other Insiders                       |                                |                                     |
| 40  | Capital Contributions   |                                |                                     |
| 41  | Principal Payments  |                                |                                     |
| 42  |   |                                |                                     |
| 43  | <b>Net Cash Provided (Used) by Financing Activities</b>                             | \$0                            | \$0                                 |
| 44  | <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                         | (\$272,335)                    | (\$1,099,040)                       |
| 45  | <b>Cash and Cash Equivalents at Beginning of Month</b>                              | \$1,149,428                    | \$1,976,133                         |
| 46  | <b>Cash and Cash Equivalents at End of Month</b>                                    | \$877,093                      | \$877,093                           |

Note:

1 - Check cleared by Wells Fargo on April 19, 2006 and not returned to account by the bank.